

## RESPONSE TO OFFICE ACTION

APPLICANTS: Pickard and Monsanto; SERIAL NO.: 09/668,819; FILED: September 21, 2000

EXAMINER: M.S. Gart; ART UNIT: 3625; ATTY DOCKET: RM.MB1; CONFIRMATION NO. 2327

## REMARKS

Amendments are presented herein to improve the form of the subject application and in response to the Examiner's comments in the above-identified Office Action.

### *The American Inventors Protection Act of 1999*

The Examiner states that the changes made to 35 U.S.C. § 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application because the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). The Examiner continues by stating that this application is examined under 35 U.S.C. § 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. § 102(e) ).

### *Claims Rejection - 35 U.S.C. § 102(e)*

Claims 1-15 stand rejected under 35 U.S.C. § 102(e) as specifying subject matter considered by the Examiner to be anticipated by U. S. Patent No. 6,260,024 ("Shkedy '024").

### CLAIMS 1 AND 12-13

Referring to claims 1 and 12-13, the Examiner states that the Shkedy '024 reference discloses a method of transacting sales over a computerized network (at least Abstract), the method comprising the steps of:

defining a first product to be purchased by a first purchaser (at least column 5, lines 7-24);

enabling the first purchaser to search a product database for a pre-existing database record

associated with a product having a relationship to the first product acceptable to the

first purchaser (at least Fig. 5).

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correlating in a first database record the first product and the first purchaser (at least column 5, lines 7-24);

further correlating in respective ones of a plurality of first database records the first product and respective ones of a plurality of second purchasers (Buyer database 255 maintains data on buyers with fields such as name, address, telephone number, credit card number, ID number, social security number, electronic mail address, smart card ID, credit history, public/private key information etc. Buyer database 255 also contains the tracking number of each FPO 100 generated by the buyer, and the tracking number of each pooled order 110 that comprises the buyer's FPOs 100.);

issuing an offer to a vendor to purchase the first product at a first offer price in a quantity responsive to the plurality of first database records (at least Fig. 7 and Fig. 8);

enabling a vendor of products having a predetermined similarity to the first product to search the product database (at least Fig. 7); and

consummating a transaction between the vendor and the first and second purchasers (at least column 3, lines 39-57).

### CLAIM 2

Referring to claim 2, the Examiner states that the Shkedy '024 reference discloses a method wherein prior to performing said step of issuing an offer there is further provided the step of calculating a first commitment price (at least Fig. 2A, Step 54).

### APPLICANTS' COMMENT

It is evident from the specification of the Shkedy '024 reference that the intention is to lock-in the buyer to a contractually established maximum price, whereby an escrow account or the buyer's credit card can be burdened with a credit reserve at the outset. (See, column 5, lines 43-44, 52-60,

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and 63-67; and column 14, lines 60-62 where it is intended that an adequate portion of the buyer's credit be "locked-up.") The "first commitment price" of the Shkedy '024 reference is not at all a realistic sale price, but instead is intended to identify an amount of the buyer's credit adequate to cover any reasonable future actual purchase price.

The present invention, on the other hand, calculates a realistic possible purchase price using pricing engine 222 that has been determined in the context of pricing research. In this regard, reference is made to the present specification at page 7, line 17 to page 8 line 2, where it is stated:

Historical information is of value in enabling a pricing determination to be made at a pricing engine 222. Thus, for example, the history of prior pools that are now closed is stored in a prior pools memory 218. This information is useful to the system administration to determine whether the formation of a new pool (see, function block 112 in Fig. 1) has a likelihood of being successful. Similarly, pricing history information provided by vendors in vendors database 246 is stored in a vendors pricing history memory 242, and this information is useful in determining the likelihood of success of a new pool and enables the system administration to make a non-binding representation to registered purchaser 100 of the amount that he or she can expect to save. All of this historical pricing information from prior pool (218), prior vendor bids (242), prior market prices (248), etc. when compared to existing market prices (225), enable the system administration to compute reasonably reliable expectations of savings (214) that will attract the registered purchaser to place his or her order with this system. In addition, prices data acquisition system 226 may, in certain embodiments, be capable of obtaining prices from on-line auction and other vendors that will enable presentation to the registered purchaser of the attractive historical performance of the present system.

The approach of the present invention in presenting pricing information to the buyer is distinguishable from that of the Shkedy '024 reference which is not concerned with presentation of the pricing that historically can be achieved by the system.

### CLAIMS 3-6

Referring to claims 3-6, the Examiner states that the Shkedy '024 reference discloses a method according to claim 2 as indicated supra. The method of calculating a first commitment price, according to the Examiner, will not distinguish the claimed invention from the prior art in terms of patentability. The Examiner continues by stating that these dependent claims are based on non-material functional language and therefore will be given little patentable weight. The method

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of calculating a first commitment price is not critical to the invention “a method of transacting sales over a computerized network,” and could be calculated via numerous means.

### APPLICANTS' COMMENT

Applicants respectfully disagree with this contention on the part of the Examiner. More specifically, Applicants have set forth in the specification, drawings, and claims subject matter that constitutes apparatus and method aspects of the invention, and which serves the significant commercial purpose of offering to buyers a realistic first commitment price that is representative of savings that historically have been achieved by the inventive system in the context of researched actual prices as well as the historical performance of the inventive system. Thus, buyers using the present system are assured that the first commitment price is current in the market, and not merely intended to burden their credit resources to amounts that are comfortable to the pooling service or the vendor.

Applicants further respectfully disagree with the Examiner's use of the content of the preamble of the claim as a mechanism for minimizing the patentability of specifically recited structural or method elements. More specifically, Applicants contend that the methodology by which a first commitment price is determined is a proper component of the overall process for transacting sales over a computerized network, and will be significant in determining the commercial success of the system.

### CLAIM 7

Referring to claim 7, the Examiner states that the Shkedy '024 reference further discloses a method wherein there are provided the steps of defining a second product desired to be purchased by a first purchaser and correlating in the second database record the second product and the first purchaser (at least column 5, lines 25-30).

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### CLAIM 8

Referring to claim 8, the Examiner states that the Shkedy '024 reference further discloses a method wherein there is further provided the step of correlating in respective ones of a plurality of second database records the second product and respective ones of a plurality of third purchasers (at least Fig. 1).

### CLAIM 9

Referring to claim 9, the Examiner states that the Shkedy '024 reference further discloses a method wherein there is further provided the step of issuing an offer to a vendor to purchase the second product at a second offer price in a quantity responsive to the plurality of second database records (at least column 15, lines 42-57).

### CLAIM 10

Referring to claim 10, the Examiner states that the Shkedy '024 reference further discloses a method wherein there is provided the step of formulating a first consolidated report for presentation to the first purchaser responsive to the first and second offer prices (at least Fig. 10, Step 1020).

### APPLICANTS' COMMENT

Applicants respectfully note that step 1020 in Fig. 10 of the Shkedy '024 reference states that "the buyer examines the goods to see if they meet the conditions of the PPO." This is amplified in the specification of the reference at column 18, line 4, *et seq.* as follows:

At step 1020, the buyer examines the delivered goods to see if they meet all conditions and terms of FPO 100. A buyer purchasing a computer, for example, would verify that the computer had all the correct peripherals and associated software. At step 1040 if the goods do not meet the buyer's conditions as described in FPO 100 the buyer contacts an arbiter at central controller 200 for dispute resolution.

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This is not at all related to the consolidated report of claim 10, which states that there is provided the step of "formulating a first consolidated report for presentation to the first purchaser responsive to the first and second offer prices." (Emphasis Added)

### CLAIM 11

Referring to claim 11, the Examiner states that the Shkedy '024 reference further discloses a method wherein there is provided the step of formulating a first consolidated report for presentation to the first purchaser responsive to the first and second database records (at least Fig. 2).

### APPLICANTS' COMMENT

Please see the comment to the Examiner's stated rejection of dependent claim 10, which is equally applicable to dependent claim 11.

### CLAIM 14

Referring to claim 14, the Examiner states that the Shkedy '024 reference further discloses a method wherein prior to performing said step of consummating a transaction there is provided the step of consummating a transaction between at least one vendor for a quantity of the first product responsive to a predetermined portion of the total number of first database records (at least Fig. 5).

### APPLICANTS' COMMENT

Applicants respectfully note that Fig. 5 of the Shkedy '024 reference does not set forth the step of consummating a transaction between at least one vendor for a quantity of the first product responsive to a predetermined portion of the total number of first database records. As noted in column 13, line 7, *et seq.* of the Shkedy '024 reference, the process of its Fig. 5 is directed to the formulation of an FPO 100.

In contradistinction to the present disclosed invention, the selection of vendor in accordance with the system of the Shkedy '024 reference is apparently exclusively responsive to vendor bid.

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In the present invention, however, a pricing engine obtains price data from multiple sources, thereby providing a context against which the price offered by a bidding vendor can be tested. There is no disclosure in the Shkedy '024 reference of a corresponding pricing engine or the use of historical prices from vendors or prior system performance.

### CLAIM 15

Referring to claim 15, the Examiner states that the Shkedy '024 reference further discloses a method wherein prior to performing said step of consummating a transaction there is provided the step of consummating a transaction between at least one vendor for a quantity of the first product responsive to the total number of first database records (at least Fig. 5).

### *Applicants' Response*

Applicants respectfully assert that the Shkedy '024 reference does not teach or suggest the claimed invention. More specifically, in addition to the Applicants' Comments set forth hereinabove, it is noted that the Shkedy '024 reference is directed to a system that aggregates multiple entities that desire to make purchases into groups that are defined by the product(s) they desire to purchase, and then bids are obtained from at least one vendor for the product. The buyers are bound to the purchasing group contractually upon accepting a maximum purchase price determined by the system operator, whereupon encumbering reserves are placed on the buyer's credit resources to ensure payment upon completion of the transaction.

The present invention, on the other hand, is directed toward attracting buyers by offering as a first commitment price a researched value that is derived from calculations that take into consideration prior vendor bids, the rate of accumulation of second buyers, historical system performance, price trends of the subject product, and the like. In addition, in the event a buyer

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desires a product that is not currently the subject of an existing aggregation of buyers, provision is made for commencing a new group that satisfies the buyer's needs.

Independent claims 1 and 12 have been amended to specify subject matter that is neither taught nor suggested by any combination of the prior art of record, including the Shkedy '024 reference. Accordingly, it is respectfully asserted that these claims are in allowable condition over the applied art. Dependent claim 3, 4-11, and 13-15, which also are subject to the Examiner's rejection under 35 U.S.C. § 102(e), all depend from respectively associated ones of independent claims 1 and 12, and accordingly, these dependent claims are allowable for the same reasons as set forth herein. Dependent claims 2 and 4 have been canceled, and therefore the Examiner's rejection of these claims under 35 U.S.C. § 102(e) has been rendered moot.

### *Conclusion*

The prior art made of record and not relied upon is considered by the Examiner to be pertinent to applicant's disclosure.

U. S. Patent No. 6,236,972, May 22, 2001 ("Shkedy '972") is considered by the Examiner to disclose a method and apparatus for facilitating transactions on a commercial network system. Applicants studied this reference cited by the Examiner and have determined that it does not teach or suggest the claimed invention.

In view of the foregoing, it is respectfully requested that the Examiner reconsider the present application, allow the claims, and pass the application for issue. If the Examiner believes that the



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prosecution of this case can be expedited by a telephone interview, the Examiner is requested to call attorney for Applicant(s) at the telephone number indicated hereinbelow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. A. Monsanto', followed by a checkmark.

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